

vinces. As far as subsidies go, a fine line can be drawn. We can say perhaps that Wartime Housing is subsidized due to the fact that it enjoys somewhat lower taxes than would be considered an economic level in a city. It also enjoys low-cost land which would have a commercial value far greater than the nominal cost paid by Wartime Housing. Those are subsidies, if you like. They are reasonable subsidies, having in mind that the government is paying the full cost of constructing the house. However, if my hon. friend will read certain papers he will find that it was stated here in Ottawa that the city was subsidizing Wartime Housing through giving free lots and installing services. I think it is desirable to keep away from cash subsidies to the greatest extent possible. A policy of subsidization may be all right in a time of emergency but it is not desirable as a continuing policy.

Mr. NICHOLSON: Could the minister indicate the number of housing units which will be built as a result of these amendments? Am I not correct in assuming that, by and large, these houses will be made available to people in the upper income brackets?

Mr. HOWE: That is not the intention; the intention is to provide housing for all the people of Canada.

Mr. NICHOLSON: At what rate per month?

Mr. HOWE: The rate for wartime houses still runs from \$21 to \$35 a month. Integrated houses are built for sale at reasonable figures. It is the intention of the government to finance housing that is within the reach of all people in Canada.

Mr. NICHOLSON: The minister is adopting a new principle here. We are being asked to guarantee private companies a minimum of two per cent, and I think the minister should give some indication as to what the plans are, how many houses will be built for rent and at what monthly rent?

Mr. HOWE: Under the National Housing Act the government guarantees the lending institutions against loss, but that provision applies only to the value of developed property. The amendment would provide that the cost of assembling the land may also be guaranteed by the federal government. This is simply an extension of the present policy.

Mr. NICHOLSON: That is correct, but I think I am also correct in saying that so far the federal government has not been asked to pay anything, that there have not been any losses incurred. We are now going into the business of buying land and there is

nothing to prevent these lending institutions from bailing out some of their real estate and asking the taxpayers to carry the burden. I think we should have some indication as to what the plans are that have been discussed and what rentals will be charged.

Mr. HOWE: My hon. friend will find it expressly stated in the bill that the purchase of land is subject to the approval of the Central Mortgage and Housing Corporation. The location of the land, and the prices paid, must be approved before a loan will be granted for the assembling of the land. The government recognizes that building is definitely being retarded on account of the fact that in certain cities it is impossible to buy serviced land. Cities are not extending their services as rapidly as is required to meet their housing needs. The provisions which will be inserted in the act will enable private lending institutions to assemble land under government guarantee, after the project has been approved by the Central Mortgage and Housing Corporation.

For example, one of the leading life insurance companies is planning to assemble some desirable building property near the city of Toronto and make it available to builders at a reasonable cost. If the project is carried out, a builder who desires to build in that area will be able to buy individual lots which are properly serviced, such as are not available at the present time.

Mr. NICHOLSON: I still have had no indication from the minister as to what type of housing will be available as a result of the change. I am advancing the argument that the housing which will be available will cost people \$75 a month or more, and I wish the minister would indicate that I am wrong, that he is planning to make housing available at \$25 or \$30 a month. The evidence is that we are short of housing for people who cannot afford to pay even \$25 a month. I think the amendments to the act should make some provision for people who just cannot afford to look at houses costing \$75 a month.

Mr. HOWE: The National Housing Act has nothing to do with housing that is rented for \$75 a month and over. As I have stated before, the National Housing Act is concerned with housing that can be rented for \$70 a month and under. All I can say about rentals is that Wartime Housing is still building houses that rent from \$21 to \$35 a month. Housing being erected under the integrated plan usually costs \$6,000 or less per unit. They are both low-cost projects. The land assembly would be for the purpose of low-cost housing.